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CPW Report No. 13 - COMMUNIST CHINA

(Mar. 10 - 16, 1952)

SUMMARY

Actual promotion methods to create interest in the antiwaste, anticorruption, anti-bureaucracy drive were almost nonexistent in Communist Chinese broadcasts to the Chinese people during the week ending Mar. 16, giving further evidence that this campaign, which had dominated radio broadcasts for the past 10 weeks, was gradually grinding to a close. Confession and accusation meetings still were reported, but most of them were semiprivate affairs, attended only by groups from particular offices, or were organized with the idea of wringing confessions from the hundreds of small merchants and businessmen who stubbornly had refused to admit all the petty charges of corruption made against them. Reports of pardon following complete confession, and frequent arrests upon refusal to confess, still were common. Three "big tigers" even were pardoned: Tainan revealed that a Department of Construction official won a complete pardon after confessing to embezzlement of 365 million yuan; Nanchang told of a merchant who was pardoned and "made a member of the tiger-hunting team" after he confessed to taking 220 million yuan and implicated several others; while Hangchow told of the pardoning of a People's Bank employee who embezzled one billion yuan--when he exposed eight accomplices.

Announcements of wholesale settlement of corruption cases came with mounting frequency, as did promises of lenient treatment for minor offenders who would confess. It was noteworthy that the Austerity Committee in the city, hien, or province, the organization set up to direct the anticorruption campaign, was taking direct command in making offers of leniency, or in mass disposal of cases. In Chinchow the Austerity Committee announced the pardoning of 1,000 merchants who had confessed; Hsuanan reported lenient treatment given 158 industrial and commercial firms; Wuhan announced that the local Austerity Committee had dismissed 6,832 cases; and in Nanchang 5,000 cases were dismissed. Kuming reported that the Austerity Committee had announced it would process directly all further matters concerning the drive.

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Reports of capitalist infiltration into State enterprises, for illicit profit as well as to thwart the purposes of the anticorruption drive, still were frequent. Foochow even reported capitalist infiltration into the People's Court to prevent punishment of corrupt businessmen. More overt resistance to the drive by businessmen seemed less prevalent, although there still were reports of mutual alliances and oppression of employees. The most extreme case was that of a cadre, reported by Nanchang, who burned a department store to prevent exposure of embezzlement. More frequent were complaints at reluctance of cadres and employees to continue the fight, with "reindoctrination" needed often to spur efforts of senior clerks and cadres, and "correct their rightist thought." Several instances of replacement of "complacent cadres" by "activists" were related.

Judging from the frequency of reports, it would seem that the drive finally had caught up with many "big tigers" who previously had escaped. In actual cases of corruption reported, big tigers heavily predominated. At least eight direct charges against individuals of corruption involving from one to 7 billion yuan were monitored. Rice merchants in Canton were accused of making more than 23 billion illegally in 2 years, but the number of merchants involved was not disclosed.

New evidence of concern over real and prospective food shortages was apparent. In Szechwan "spring famine rice loans" amounting to 3 million catties were allotted, while Sian reported that in Kansu food loans had been made to farmers. Charges that dealers had exported rice from Canton and "endangered the livelihood of the people" were broadcast, while the Kwangtung Government announced a scale of rather liberal rewards for apprehension of food smugglers. New reports of cattle disease in the Northeast and in Fukien Province were broadcast, as well as new reports of deaths among draft oxen and of special steps to protect work animals.

Fear of drought also was reflected in numerous broadcasts. Reports of feverish efforts to organize groups in North China, the Northeast, and Hainan Island, to repair irrigation systems, and to get spring farming under way were accompanied by complaints that some peasants were too prone to be "complacent and to rely on fate." Several new announcements or direct orders to cadres to sidetrack the anticorruption drive and devote their efforts to drought prevention and spring farming were monitored, as well as frequent complaints of the "complacency" and "laxity" of the cadres in pushing the spring farming program. This apparent anxiety over the drought and spring farming probably indicated a fear of food shortages, but it might also show failures in the farm system under changes introduced by the Communist regime. Frequent references to need for repairs to dams and irrigation systems, and of failure of farmers to care for their work oxen or drain their wheat fields, might be an indication that Communist cadres have not adequately given the leadership formerly furnished to large groups of peasants by landlords and more prosperous farmers.

Of perhaps particular significance were reports from Yangchow that in two hsien of northern Kiangsu farmers were alarmed over the absence of a market for their pigs, the unmarketable surplus amounting to 180,000 head in one hsien. As hog growers in this area formerly depended almost entirely on the Shanghai market, this situation would indicate a breakdown of the marketing or transportation systems, or a lack of purchasing power on the part of Shanghai residents.

Failure of cadres in Sinkiang to appreciate the value of "advanced techniques" introduced by the People's Liberation Army was suggested by a broadcast expressing impatience with Sinkiang cadres for refusing to admit the possibility of achieving the unit-area yield increases planned for the province. The goal easily could be reached, the broadcast asserted, "if the peasants of various nationalities were properly mobilized." The goal for 1952 in Sinkiang of "organizing 40 percent of the total labor force" would seem to be surprisingly low, regardless of plans for yield increases.

There was a hint that dependents of servicemen might not be too well pleased with the preferential treatment program in a Peking transmission calling for inspection of land owned by these dependents to make sure that it was cultivated adequately, along with an admonishment that "dependents who are physically fit should be encouraged to increase production."

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Signs still were apparent that the anticorruption drive had caused considerable disruption of business and industry, despite frequent claims that production was being increased "to further the drive," and boasts that certain concerns met their quotas and at the same time pursued the tiger hunt. Several broadcasts told of new instances in which large numbers of cadres were removed from the anticorruption drive and given the task of maintaining production. The most revealing report came from Hangchow, which told of a meeting "to oppose suspension of textile production," and of moves "to order all idle textile factories to resume production," with a promise of one factory to "resume production by Mar. 18."

Another interesting development in the industrial field was indicated by a Peking report that the Central Government had ordered a reorganization of productive enterprises handled by small governmental units. In the future all such enterprises are to be centrally controlled, with the haien forming the smallest unit.

Apparently the drive to place the blame for losses and failures in Korea largely on the Chinese businessman was not spectacularly successful. While new reports of corruption in supplying the Chinese Volunteers, as well as other units of the People's Liberation Army, were broadcast, they were considerably less spectacular and less specific than when the campaign first started, while the prevalence of protests by groups and organizations showed an unmistakable drop.

There was a noticeable step-up of attention to charges of American use of bacteriological warfare with new claims that American planes dropped infected insects and even toads and lizards, in at least a dozen areas of the Northeast, with 19 planes engaged in one day in dropping germ-bearing insects on Manchuria. These charges all were limited to the Peking radio. The regional stations devoted their efforts to organizing committees and field units to fight against the American crimes. Regional stations in the Shanghai area and in the Northeast reported enthusiastic response to calls for volunteers to fight bacteriological warfare in the Northeast and in Korea, with claims that teams were organized as far south as Canton. Suspicions that one original aim of the drive was to simplify the problem of enrolling medical and health workers for the Korean front were enhanced by several reports that groups of medical workers from Korea had returned home. Obviously these groups would have to be replaced. However, more attention seemed to be devoted to the fight against plague in the Northeast than to the Korean front, indicating that a serious plague epidemic might be threatening that area, offering a new opportunity to blame the American imperialists for Chinese woes.

Considerable attention still was given to land reform and active resistance to the program, both from landlords and cadres. Reports of resistance to land reform in recent weeks had come only from Kiangsi and Yunnan, but in the past week reports were added from Wuhan of trouble in Hupeh and Honan. Shanghai announced plans in Shantung for a huge collective farm of 600,000 mou, to include areas in three hsien.

Peking reported that in some localities "circulation of newspapers had been reduced," describing this situation as an "expression of political paralysis" and urging that it be remedied. A pneumonia epidemic that had killed at least 300 persons was reported from Kiangsi Province.

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RESISTANCE TO DRIVE

Capitalist Infiltration. Chinchow asserted (Mar. 15) that during the anticorruption drive 2,146 workers in private concerns had joined trade unions, a number equal to the total enlistments of the past 3 years. The reason for this was that in the past workers had been prevented from joining by "corrupt merchants," but now "senior workers who formerly served the capitalists had returned to the ranks of the workers." Peking announced in numeral code (Mar. 13) that Wang Ka-chuan and Chang Yun-wu had been arrested at the Fushun Mining Bureau, Mukden. Wang had entered the Bureau "disguised as a worker," won over Vice Superintendent Wu Jih-hsin, learned the secret of fat decolorization, and conspired with Tai Ching-jung and Tang Hsiang-pu to open two fat decolorization factories. Merchant Chang Wen-fu conspired with his brothers, Chang Yun-wu, Chang Wen-chi, and Chang Wen-hung, all technicians in the Fushun Electrical Engineering Factory, to steal 10 blueprints and specifications for products, including plans for a planing lathe. One factory owner had offered one billion yuan for such a lathe plan.

Shanghai asserted (Mar. 10) that Lu Chun-hua, Yangchow woman worker, had been given high praise by local worker groups because she accused her brothers, Youth Corps members, of being agents of capitalists. Shanghai reported (Mar. 13) that in Fukien Province the People's Court contained many leftovers from the former regime, who had conspired with corrupt capitalists to delay hearings on their crimes. Merchant Wang Seng-chun was able to evade trial for a year, in spite of the many accusations against him by workers. The People's Court in Fukien held 40 meetings with 40,000 persons in a fight against the methods of capitalists, especially in bribing judicial personnel, and planned to "carry out the extermination of the capitalist class." Hangchow claimed (Mar. 13) that the anticorruption drive had led to new operating records in the Hangchow Railway Administration, for the workers now realized the "dangers of the capitalist attack upon the working class." Hohen declared (Mar. 15) that Shu Hsi-cheng, Yu Tzu-seng, and Liu Wan-tung had been placed in the Taifeng Trading Company of Tunghsien, Anhwei, by merchants Ho Yung-chiu, Lu Kuo-fu, Yeh Tai-hsing, and Yeh Chung-hsing to defraud the Government through speculation and false orders.

Wuhan announced (Mar. 13) that the Construction Workers Union in Yinhsten had been dissolved and orders issued for the arrest of its officers, Hsu Shueh-seng, Yu Jing-yuen, Hsu Hai-ning, Kao Chien-liang, Chen Ming-fu, and Li Ming-shan, who were agents of capitalists. Wuhs reported (Mar. 14) that in the northern district of Yinhsten corrupt merchants bribed Tax Bureau cadres several hundred times, giving them 30 million yuan. Wuhan stated (Mar. 15) that 28 "capitalistic elements" had been exposed in the Wuhan Construction Workers Union, and several capitalists expelled from the Hardware Workers Union. The Wuhan Federation of Labor had sent cadres to check on all unions and reorganize those which had been dominated by capitalistic agents. Kunming announced (Mar. 11) that the arrest of Wang Hung-chi had been ordered. Wang served as the agent of the capitalists while a cadre in the Anning Trading Company, corrupting all cadres with whom he came in contact. He conspired with corrupt merchants to organize a grain market, monopolized the grain business, and raised prices illegally.

Obstructionist Tactics. Tainan reported (Mar. 10) that Hung Yu-seng, official in the storage section of the Shantung Department of Industry, had been expelled from the Communist Party for conspiring with corrupt merchants to rob the State of one billion yuan, forming mutual alliances, and refusing to confess. He relied upon his Party membership for protection. Hangchow announced (Mar. 11) that Shen Chiu-lu had been arrested for corruption, obstructing the anticorruption drive, and forming mutual alliances. Hangchow added (Mar. 12) that workers had accused Wang Chien-yun of obstructing the drive by closing his dye factory and stopping the workers' food and wages. Lung Ho-chun, another dye manufacturer, was accused of cutting his power line to stop work and drive the workers away. Both men were arrested. Hangchow said (Mar. 15) that owners of the Lihua and Tungchung construction companies had been held for investigation for refusing to confess and obstructing the anticorruption drive.

Nanchang reported (Mar. 13) that cadre Chen Nai-kuang had been arrested for setting fire to the Fuliang Department Store, Kiangsi, to hide his embezzlements, and forming mutual alliances. Wuhan stated (Mar. 12) that the Mayor of Wuhan called upon workers and shop

confessed or were exposed. Pardons were granted, following full confessions, to the following: Liu Nai-kuang, Department of Construction, who took 365 million yuan; Lu Shu-tung, Health Department, who took 160 millions; Wang Yen-chi, Postal Telegraph Bureau; Peng Shou-hsien, Salt Bureau; Li Hsien-ling, quilt factory; Shou Ching-chin, Yientai Tobacco Factory; Liu Hsun, Salt Bureau; Tsao Ting-chie, Construction Department; Chao Wen-ping, No. 2 Cotton Factory; Chao Hua-li, Native Products Company; and Ku Chi, Department of Trade. Tung Wen-ping of the Chingnien Press, Ma Ti-chang of the city Tax Bureau, and Tan Kuo-hua of the Tsinan Health Bureau refused to confess and were arrested. Tsinan said (Mar. 13) that cadres in the No. 302 Textile Mill, Tsingtao, held a rally to "indoctrinate" the workers with the dangers of the capitalist attack upon the people," with the resulting organization of tiger-hunting teams and 40 reports of accusations. Tsinan reported (Mar. 14) that the East China Department of Industry machine shops No. 1, 2 and 4, and the Chemical Works, had reported 1,300 accusations against corrupt elements.

Shanghai announced (Mar. 12) that the Nanking and Shanghai Austerity Committees had called rallies of shop clerks for accusations, and had urged the clerks "not to relax their efforts" until all corrupt merchants were rounded up. Hangchow reported (Mar. 14) that the Chekiang Hemp Mill held a rally to accuse cadres I Shi-wu and An Peng of bureaucracy and urge their dismissal. Hangchow stated (Mar. 15) that in the Wenchow Special District a rally was held to hear Party Secretary Chun Chi report the arrest of 15 major corrupt elements and warn all corrupt elements to confess or face arrest. Yangchow asserted (Mar. 12) that 60,000 local clerks had organized 600 tiger-hunting teams and reported 5,800 cases of corruption. In Nantung 600 senior clerks "overcame their hesitancy" and made 1,800 accusations.

Nanchang declared (Mar. 11) that tiger hunters in Kiangsi Province were intensifying their drive against corrupt merchants. They "promised to kill off all tigers and then take on the American imperialists." Nanchang reported (Mar. 13) that in Shangjiao, Kiangsi, 14 tiger-hunting teams had captured 73 tigers and were hunting 42 more, with corrupt merchants "confessing in large numbers." In the Fuliang Special District, Kiangsi, at a rally attended by 1,400, merchant Tang Wen-po confessed to corruption amounting to 220 million yuan, made accusations against other corrupt elements, was pardoned and made a member of the tiger-hunting team. Lumber merchant Wang Hsi-wen was pardoned following a full confession. According to Nanchang (Mar. 14) in Taiho Hsien, Kiangsi, as a result of the exhibition on International Women's Day Mar. 8, women exposed corruption amounting to 200 million yuan. Nanchang reported (Mar. 16) that Wang Pa-tung, head of the Nanchang City Hospital, was called upon to confess at a rally of 400 medical workers Mar. 13. He refused, "which aroused the anger of the listeners." Several women "openly accused him of mistreating women," and demanded his arrest.

Wuhan stated (Mar. 12) that the local Federation of Labor called a meeting for confessions and accusations, when several cadres who refused to confess were arrested. In Hunan Province the drive made good progress, with many corrupt cadres and merchants exposed. Canton announced (Mar. 14) that Canton shop clerks held a rally Mar. 13 to accuse native drug shop owners of evading taxes. Canton said (Mar. 15) that local shop clerks were holding chu rallies, at which clerks active in the drive were invited to join the Youth Corps and the Communist Party. Shop clerks Liu Wen-tai and Chang Hsiang-min were commended at a rally for making accusations against members of their own families. Chungking announced (Mar. 10) that workers in Kweiyang held a rally which closed with a monstrous parade, and at which it was reported 20,000 accusations had been made by the workers. Commendation was offered 20 workers for their success in exposing corruption.

Kunming announced (Mar. 11) that in Yuanchiang Hsien, Yunnan, Li Chung-shuan, accountant, and Tseng Chia-ku and Chang Chi, employees, all of the Salt Bureau, made confessions of corruption and were pardoned. After listening to reports by the Volunteers from Korea, shop clerks in Kunming increased their accusations from 7,000 to 20,000. Kunming reported (Mar. 12) that in Tali Hsien, Yunnan, 5,000 persons from all circles attended a rally called by the Party Committee, at which 170 accusations were made against merchants. Peking reported in numeral code (Mar. 15) that in Tientsin the managers of 120 large weaving companies had confessed to illegal acts.

Desire to End Drive. Reports of wholesale settlement of corruption cases, and promises of lenient treatment were heard with growing frequency. Shanghai announced (Mar. 12) that the local Austerity Committee had met and announced a full pardon for 1,000 corrupt merchants who had confessed. Shanghai stated that the Nanking Austerity Committee was making a check of reported cases of corruption in order to screen out minor cases, and cases where confession had been satisfactory, so that they might be closed. Major cases where confessions had not been made or were not satisfactory would be reviewed for possible punishment. Shanghai added (Mar. 12) that the Hangchow Austerity Committee had announced a list of firms which had been pardoned, at the same time praising Chao Yuan-fa, manager of the Chingtien Bookstore, for exposing his father and the manager of the Meihua Photo Shop.

Hangchow announced (Mar. 10) that an inspection group of the local Austerity Committee met Mar. 4 to adjudicate the cases of 200 corrupt merchants, announcing that 78 would get lenient treatment and listing another 91 as "semi-law-abiding shops." These merchants in Hangchow issued a statement of appreciation to the Austerity Committee for classifying them as "law-abiding shops." Hangchow reported (Mar. 15) that the Chekiang branch, People's Bank, held a rally of cadres and family dependents at which Chu Wei-min confessed to embezzlement of one billion yuan, accused eight others as his accomplices, and was pardoned. Wives immediately urged their husbands to confess and take advantage of the offers of leniency. Hangchow reported that in Yangtze Union, Fuzhou, a meeting was called to commend cadres for their accomplishments in the drive, when the Party Committee issued new instructions to cadres to "place emphasis upon the Spring farm production drive." Huainan announced (Mar. 11) that 188 industrial and commercial firms had been given lenient treatment by the local city government because their owners had made satisfactory confessions.

Yangchow stated (Mar. 14) that at a rally of 800 persons called by the local Austerity Committee, Chang Sen-shan, Tao Sen-cheng, Tong Chi-wu, and Mao Wuyen confessed to corruption and accused others, while the Mayor offered lenient treatment to all who would confess. Yangchow added (Mar. 16) that at a meeting of all cadres in northern Kiangsu, Party Publicity Director Chou-Yung-sung directed the cadres to wipe out all corrupt elements and "pardon minor offenders." Wuhan stated (Mar. 13) that two documents issued by the Central Government Administrative Council on regulations for treating cases of corruption "combined severity with leniency, reform with punishment," and prophesied that after conclusion of the anticorruption drive, "national construction will enter a new phase. After that anyone who violates law and discipline to undermine the economic policies and financial system of the State will be considered guilty of undermining national construction. Severe punishment will be meted out, and no leniency is to be expected." Nanchang announced (Mar. 11) that the local Austerity Committee called a meeting to adjudicate corruption cases, ordering that minor tax evaders and others who made confessions were to be pardoned.

Sian reported (Mar. 10) that the Northwest China Austerity Committee called a rally of all Government workers, ordered cadres to "overcome their hesitancy and make accusations," promised leniency to all corrupt elements who would confess, and declared that all cases of corruption involving less than 10 million yuan would be treated with leniency. Sian announced (Mar. 14) that inspection committees in the Northwest and groups in various State industries were holding meetings to plan carrying out the Central Government directive on lenient treatment. Wuhan reported (Mar. 14) that the Wuhan Austerity Committee had called a meeting to adjudicate cases of corruption, dismissed 6,832 cases because the persons concerned had confessed, but ordered the arrest of Chang Hsin-min, manager of the Tachunghua Printing Company, for refusal to confess. It was reported that in Nanchang more than 5,000 charges of corruption against businessmen had been dismissed by the Austerity Committee. Kuoming announced (Mar. 11) that the local Austerity Committee had issued an order centering the anticorruption drive in its own group, and declaring that all matters pertaining to the drive must be processed by it. Kuoming stated (Mar. 16) that at a rally of commercial and industrial circles in that city, Austerity Committee Chairman Ma pointed out that small offenders and "all law-abiding industrial and commercial concerns shall not be punished." However, punitive action would be taken against those who "not only refused to make public confession, but also netted a large amount of illegal profit, endangering the people and the State."

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clerks to intensify their attacks on the bourgeoisie, "who are trying to obstruct the antiwaste, anticorruption, and antibureaucracy drive," and threatened with "serious punishment" merchants who tried to oppress workers for exposing them. Canton said (Mar. 11) that an article in the CHANGCHIAN JIH PAO warned merchants to observe the regulations governing their treatment of shop clerks during the anticorruption drive.

Reluctance and Hesitancy. Sairen announced (Mar. 15) that a local rally heard accusations against corrupt merchants by senior clerks, "who had heretofore been reluctant to expose" corrupt elements. Tsien reported (Mar. 15) that cadres in the Peiting Sanatorium were lax in promoting the anticorruption drive, and required a "course of indoctrination by Party cadres" before they started their tiger hunt. Shanghai stated (Mar. 10) that in Tsingtao the drive was making progress among the import-export houses since a tiger hunting team had "influenced senior clerks" to make accusations." Hangchow asserted (Mar. 10) that the Chekiang Construction Company had started its second stage in the anticorruption drive by "eliminating rightist leanings in the leading cadres and workers."

Hofei (Mar. 15) quoted an article in the HUAN NAN HUAN PEI JIH PAO as citing corruption in the Tacheng Trading Company, Funghsien, Anhwei, as an example of the dangers of the attack by capitalists on the working class, and warning cadres to "overcome their complacency." Yangchow declared (Mar. 10) that in the salt fields of northern Kiangsu the anticorruption drive made no progress "because of the laxity of leading cadres." Action by the Austerity Committee "smashed mutual alliances" and served to get the drive started. Wuhsi said (Mar. 11) that leading cadres in the Chenchiang Water and Power Plant, Kiangsu, had "changed their attitude," with the result that relationships between senior and junior workers had greatly improved, and steps were being taken for more efficient operation of the plant. Nanchang announced (Mar. 12) that cadres in the Finghsiang Collieries had been "accused of rightist leanings," as they had not captured one tiger for a whole month." They were warned that they must not only promote the anticorruption drive, but also increase production.

Kunming announced (Mar. 11) that workers in the construction industry held a rally "to correct rightist thought," as many of them "thought the drive had gone far enough and were getting lax." Kunming added (Mar. 15) that in Yenching Hsien, Yunnan, the drive had made no progress because of the "rightist leanings of the cadres and the obstructionist tactics of the corrupt elements." The Austerity Committee called a meeting Mar. 5 and reorganized the committee "by replacing two complacent cadres with several activists." Kunming stated (Mar. 16) that cadres in the Kueiho Mining Bureau, and in Mitu and Hohsi Hsien, had "overcome their complacency" and were attacking corrupt elements. In Kunming shop clerks held a rally Mar. 15 to "indoctrinate senior clerks and urge them to expose corrupt merchants."

CASES OF CORRUPTION

Big Tigers. Chinchow announced (Mar. 14) that Wang Chin-ling and Feng Kuo-chang had been arrested on charges of defrauding the Government on licorice root buying contracts in 1949. Wang bought the root for 3,000 yuan a catty and sold it to the Government for 20,000, assisted by Feng, who was an inspector in the buying department of the Liapoi Industrial Company. The two made enough on two deals involving 500,000 catties to retire to Tientsin and open iron foundries. Sairen reported (Mar. 16) that Yen Chung-chen had cheated on Government contracts, corrupted cadres, and speculated on commodities, his entire corruption amounting to 3.7 billion yuan. At the beginning of the anticorruption drive he confessed to minor corruption with the idea of evading punishment. Tsinan stated (Mar. 10) that Wang Cheng-chi, department manager, and Chou Hsin-ju, accountant, with the Tsingtao Hsinshun Textile Mills, plotted with their accomplices to place control of the factory in corrupt hands and rob the Government of 1.42 billion yuan.

Hangchow reported (Mar. 10) that contractors Yu Tzu-an and Chao Chi-heng had cheated on labor and materials in connection with the Tushan Engineering project to rob the Government of 1.2 billion yuan according to disclosures made by cadres in the Chekiang Department of Agriculture. Yang Saw-ping, deputy chief of the Chekiang Department of Finance and Economics, was dismissed for corruption amounting to more than 200 millions. Most of the cadres in his office also were corrupt, many of them having taken more than 10 million yuan. Tang Shou-chuan, manager of the Tacheng Transport Company, Chinchua, Chekiang, corrupted the entire staff of cadres at the

Chinhua Railway Station and monopolized the 10 transport companies there, causing a loss to the Government of 1.1 billion yuan. Hangchow reported (Mar. 16) that Li Chai-yu, cadre in the Shenghsie branch of the Chekiang Tea Company, had been arrested with his accomplice, Fan Ping-hai, for altering receipts to embezzle 1.69 billion yuan from the Government in last year's tea buying program. Chien Te-ho and Wang Chia-hua, bacon merchants in Chinhua Hsien, Chekiang, were arrested for monopolizing the ham and bacon trade to make illegal profits. When the Army gave them a contract to furnish 1,500 cattles of ham for the Tinghai Army of Liberation they raised the price from 1.36 million to 1.54 million yuan a tan, and made 100 million yuan on rotten hams. Out of 212 hams, 30 were chewed to pieces by rats. The Chinhua Native Goods Company lost 300 million yuan on the deal.

Hefei stated (Mar. 10) that Tung I-ming, cadre in the Pengpu Farm Tool Company, had his agents in the People's Bank in addition to serving as the agent of capitalists, and was responsible for corruption amounting to 500 million yuan. Nantung reported that Wang Chen-ling, yarn merchant, embezzled one billion yuan of Government funds, and in addition corrupted cadre Chang Hsin-yuen of the Nantung Grain Bureau, who joined him in speculating in grain with Government funds. Nanchang said (Mar. 15) that after angry workers worked on Sunday to gather information on him, Manager Tsao Ping-chi of the Hsinseng Textile Mills was arrested for defrauding the Government of 700 million yuan.

Wuhan announced (Mar. 12) that cadre Li Ssu-kuang had been arrested for defrauding the Chiangnan Shipping Company of 500 million yuan and refusing to confess. Wuhan added (Mar. 13) that in Wuchang 2,000 people accused Hsieh Shou-yuen of 300 million yuan in corruption. Several merchants at the rally made confessions, but they were found to be incomplete when the workers accused them of new corruption. Wuhan stated (Mar. 15) that Chang Yu-ya and Kuo Chung-shan, manager and deputy manager, respectively, of the Wuhan Industrial Company, had been charged with buying 100 million yuan worth of lumber in July 1951, insuring it for 200 million yuan with the Wuhan branch, People's Bank, and 300 million with the People's Insurance Company, and then setting fire to the lumber. The fire destroyed the Baishan Wharf and caused hundreds of workers to lose their homes, and the culprits were exposed by Chang Shou-kuen, a fire victim, and the company accountant, Chang Chang-tung. Canton announced (Mar. 10) that local rice merchants had lowered prices to cheat the farmers and make 23.5 billion yuan illegally in 2 years. Canton reported (Mar. 11) that building contractors Wang Chin-ju, Liu Chieh-seng, and Chang Shou-lo of Nanjing, Kwangsi, had been ordered arrested after cadres investigated them for cheating the Government out of 7 billion yuan.

Chungking stated (Mar. 12) that Ho Pao-ling and Chang Yu-chuan corrupted cadres in the purchasing office of the Chengyu Railway to defraud the Government of 2.26 billion yuan. Pao Wen-chu and Yang Pai-shu defrauded on steel processing contracts, and Liu Pen-chi on lumber contracts, to rob the Government of billions of yuan. Kunming announced that the Kunming Tax Bureau was making an investigation of a ring of local businessmen who juggled their accounts and corrupted cadres in the Tax Bureau to evade taxes totaling billions of yuan.

Businessmen. Dairen announced (Mar. 14) that peanut merchants Ho Cheng-jih and Yang Hung-ching had been arrested on charges of sabotaging the Government peanut buying program by hiking prices on 67,000 cattles of peanuts and organizing peanut merchants to form a monopoly. Peking announced in numeral code (Mar. 13) that in Mukden 10,000 cases of corruption among industrial and commercial firms had been processed, with "20 notorious robbers arrested."

Hangchow reported (Mar. 13) that merchant Yang Chia-tang, Wu Chien-wen, and Chao Pei-kang "had been deprived of their legal status" by an inspection team of the Hangchow Austerity Committee and "handed over to their workers for adjudication." Chen Chu-chi was held for trial on charges of trickery after workers refused to accept his 15 confessions. Yangchow stated (Mar. 11) that Yao Tac-seng, Yangchow contractor, and merchants Chen Tung-ju and Chen Tung-hsiang, had been held for trial on charges of exploiting workers, cheating on labor and material on construction projects, and bribing cadres. Wuhsi announced (Mar. 13) that in Yuhhsien the city government had closed the Chingnien, Yungli, and Hsinmin soft drink and icicle shops and would open a "healthy people's soft drink parlor." Owners of the closed shops had endangered the people's

health by cheating on materials, and one of them, Wang Tso-chiang, connived with cadres in the Health Department to evade inspection. Foochow reported (Mar. 12) that landlord and merchant Fang Chu-chang, drug peddler Chang Ming-shen, and their accomplices, had been arrested in Chinchiang Hsien, Fukien, for selling morphine under protection of cadres they had corrupted. Fang was caught with 1,200 catties of morphine worth 9 billion yuan.

Wuhan stated (Mar. 16) that when the Austerity Committee of Kuanghsiang Hsien, Hupeh, met to adjudicate 32 cases of corruption, merchants Lu Hai-ching and Ma Hsing-chu were arrested for refusing to confess to bribery, tax evasion, and obstruction of the anticorruption drive. Sian said (Mar. 12) that Hsu Tso-ling and Liu Pen-chi, Sian machine shop operators, had been charged with cheating on Government contracts to make water wheels. Kunming announced (Mar. 11) that Tai lung-kang, manager of the Tcho Canning Company, had been arrested for cheating on weights when selling cured hams to the State Trading Company and for trying to sabotage the Company.

Government Officials. Hangchow announced (Mar. 12) that the Chekiang People's Court had exposed cadres Lo Hsing-chu, Wang Chen-ching, and Chu Hung-yeh for corruption and removed them from their positions. On Mar. 6 the Hangchow Party Committee expelled and arrested one of its members, Hsu Chung-huang, expelled Yu Chen-liang from the Party and from the managership of a provincial factory, and punished cadres Chang Hsin-min, Chou Tzu-hsing, Tseng Yang-ho, and Lu Fu-hsueh for corruption. Hangchow reported (Mar. 16) that the East China Communist Party Committee had punished seven corrupt Party members, including (Li Chien-hua and Jen Yu-chung). Hobei said (Mar. 15) that under the personal leadership of Commissioner Yang of the Suancheng Special District, Anhwei, 23 corrupt cadres in the local branch of the China Grain Company, headed by Wang Hsin-ku, were charged with corruption amounting to 310 million yuan. After exposing a corruption ring of 10 led by Li Hsi-seng, cadres in the company "blindly believed that the drive was over and became complacent." Huainan announced (Mar. 10) that Tang Hsi-ling, accountant in the Tachung Colliery, had been arrested "upon the demand of the workers" for regularly stealing from 12 coppers to one pound from the workers' flour rations. Workers in the Colliery captured a ring of eight charged with corruption amounting to 130 million yuan. A mine foreman, Tao Ju-shun, exploited the workers and cheated the Government out of 4 million yuan by docking the workers' wages. He also connived with merchants Ma Ping-yuan and Tan Yu-feng to speculate by using his knowledge of Government price changes that were contemplated.

Wuhan announced (Mar. 10) that the tiger hunt in Sungkiang, Kiangsu, uncovered corruption involving one billion yuan in the cooperatives, and a corrupt ring of 20 to 30 cadres in the Grain Bureau who had embezzled 2 million catties of grain. Nanchang revealed (Mar. 12) that Mao Fung, head of the Shangjiao, Kiangsi, Federation of Labor, had been dismissed and charged with embezzling 49 million yuan, incompetent leadership, bourgeois leanings, and the illegal taking over of the Chiangsautang Collieries. Wang Sau-jen and Tsao Ku-fang, other officials in the organization, were charged with fraud and corruption, and the latter with having embezzled 8.5 million yuan. Wuhan stated (Mar. 10) that "several cadres who were agents of corrupt merchants" had been exposed and arrested in the Wuhan branch of the China Department Store. Wuhan reported (Mar. 13) that Wang Hsien-ler, cadre in Pinglo Hsien, Kwangsi, had been arrested on charges of beating farmers, taking the wives of rich landlords, and lending funds at a high rate of interest. Li Chun-tang, village head in Chu 8, Kueiping Hsien, Kwangsi, was removed for corruption and bureaucracy. Kunming said (Mar. 16) that Chao Fu-chi, "major corrupt element" in the local Salt Bureau, had been arrested on charges by the Austerity Committee.

ECONOMIC PROBLEMS

Food Shortages. Chungking announced (Mar. 10) that the North Szechwan Administrative Office had issued a directive setting aside 3 million catties of rice for the "spring famine rice loans" in four special administrative districts of the area, including Suining and Nanchung. Sian reported (Mar. 15) that the Kansu Bureau of Cooperatives had allocated 2.3 billion yuan to farmers of five districts for "purchase of food and fertilizer. Sian stated (Mar. 16) that inspection teams had been set up in Northwest China to inspect food storage conditions in warehouses with a view to minimizing losses. The Northwest Department of Trade instructed various State concerns to "strengthen the purchase, sale, and transportation of foodstuffs, and to continue to stabilize the prices of foodstuffs."

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Canton declared (Mar. 10) that workers in the local Hsien Long Rice Shop had accused the owners of smuggling 100 million yuan worth of rice out of Canton in 1950 and 500 million worth in 1951, and demanded severe punishment of such dealers. "Who are endangering the livelihood of the people." Canton announced (Mar. 10) that the Kwangtung Gov. went had issued a directive Mar. 8 offering rewards for the apprehension of food smugglers as follows: 50 percent of 1,000 catties or less of smuggled food reported; 70 percent if the smugglers also were caught, 50 percent of 1,000-5,000 catties, 60 percent with the smugglers; 40 percent of 5,000-10,000 catties, 50 percent with the smugglers, 30 percent of more than 10,000 catties, 50 percent with the smugglers; and 20 percent to military or civil organizations reporting smuggling of less than 1,000 catties.

Livestock Losses. Mukden announced (Mar. 10) that the Northeast China Military and Administrative Committee had issued a directive calling for "strong measures" to prevent the spread of cattle disease. Mukden explained (Mar. 11) that the main concern was the spread of the hoof-and-mouth disease, and that the Northeast directive had ordered that measures be taken to "wipe out the disease by Apr. 3 so that spring farm production would not be affected." Foochow reported (Mar. 14) that cattle specialists had been sent to Chu 3 and 4 of Kiatien Hsien, Fukien to inoculate cattle and control the outbreak of rinderpest, which had killed 19 cattle.

Shanghai reported (Mar. 14) that six work oxen had frozen to death recently in Tungnan Hsien, Chao Hsien, Anhwei. As a result contracts had been drawn up for farmers which pledged them to give their oxen better care, refrain from overworking them, and never to sell sick animals. Nanchang said (Mar. 16) that deaths of work oxen from cold weather and wet fodder had been reported in Kuangsi Province with the result that peasants had been ordered to give their oxen better care, and to keep their pens clean and dry.

Yangchow revealed (Mar. 12) that in Jukao Hsien, Kiangsu, the pig industry was threatened by inability of producers to find markets for 180,000 animals. Financial and trading organizations were directed to make purchases, or to make loans on the animals so they would not be destroyed. Yangchow added (Mar. 13) that in Taihsing Hsien, Kiangsu, the local government had requested that emergency measures be taken to remedy the lack of sales and consequent drop in price of hogs. State trading organs were urged to increase their purchases of hogs, and financial organs were asked to make loans to producers, with preference to be given dependents of Armymen and Huai River workers.

Fear of Drought. Special offices and organizations to push drought-prevention work still were being set up. Chinchow announced (Mar. 13) that Liaosai Province had established a drought-control office. Tsinan reported the organization of drought prevention teams and the setting up of offices to aid the farmers in irrigation and insect-control work in Kaoyuan, Wentung, and Ling Hsien, Shantung. Wuhan announced (Mar. 13) that the Central and South China Office for Agricultural Production and Against Drought and Flood had been formally established, with the chief of the Agriculture and Forestry Department as its head. Inspection teams had been organized to study spring farming and prevention of drought. Wuhan added (Mar. 16) that cadres in the special districts of Honsai Province had organized drought-prevention offices and chosen cadres to lead farmers in the antidrought work.

Chungking announced (Mar. 13) that the Southwest Department of Agriculture and Forestry had instructed local governments to set up drought-control and farm production offices. In Kweiyang the Party Committee had instructed rural cadres to organize and take the lead against drought in Kweichow Province. Kunming reported (Mar. 12) that Chao'ung Hsien, Yunnan, had set up a drought-prevention office, and 180 million yuan would be spent on conservancy work.

Chinchow (Mar. 12) quoted a Liaosai Province directive on spring farming as saying "drought is imminent," and ordering repair of dams and irrigation projects. Hangchow said (Mar. 15) that cadres in Chonhai Hsien, Chekiang, had called a meeting of peasants to map irrigation system repair work. Farmers in Hsinteng Hsien had started their antidrought campaign "after indoctrination by the cadres" by signing a drought-prevention pact and forming battalions to carry out the program. Foochow stated (Mar. 15) that in Haichang, Wuping, and Nanping Hsien; Fukien, rural cadres were leading the farmers in building irrigation systems to combat drought.

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Wuhsi reported (Mar. 13) that farmers in Changchou had organized teams to dig ditches, plant trees, and eradicate weeds; that 18,000 peasants in Shanghai Hsien, Kiangsu, had completed 279,370 fang of dikes on the Huangpu River and its tributaries; and that farmers in Chihsing Hsien had completed 100,000 fang during the winter and would complete another 23,000 in the spring to open 77 irrigation ditches. Wuhan announced (Mar. 15) that in Kwangtung Province, and the Chiuchiang Special District, Kiangsi, special loans had been made for antidrought work, including 600 million yuan for water conservancy work in Kiangsi and 10 billions in Kwangtung to repair water conservancy facilities and install pumps.

Taiyuan reported (Mar. 14) that in Shansi Province a directive was issued Mar. 12 on drought prevention and cotton planting, with rural cadres ordered to give priority to the program. Sian announced (Mar. 11) that the Northwest China Agriculture and Forestry Department had issued a directive Mar. 7 to Shensi, Shansi, Kansu, Sinkiang, Tsinghai, and Ningxia Provinces on "resisting and preventing drought." Included in the directive were instructions for carrying out a "spring reforestation program," with a goal of "one tree per person planted." Sian said (Mar. 16) that special cadres had been appointed to carry out the irrigation construction program in the Tunghuan area of Shensi. Kunming announced (Mar. 15) that cadres in Iliang and Yuchi Hsien, Yunnan, were organizing teams to "rehabilitate the irrigation system." Peking stated in numeral code (Mar. 14) that the Hainan Administrative Office had ordered that the propaganda campaign for drought prevention be stepped up and broadened, and that irrigation cadres be sent to aid peasants in installing and repairing water wheels.

Chinchow stated (Mar. 13) that a Luosai Province directive on spring farming and drought prevention ordered cadres "to overcome their laxity and take the lead in preventing drought." Taiyuan (Mar. 13) quoted from a SHANSI JIH PAO article which criticized rural cadres for their "laxity in promoting the drought-prevention program," and called for more intense efforts at organizing mutual aid teams. Wuhan stated (Mar. 13) that 55 cadres in Yuchuan Hsien had been commended by the Kwangsi Government for their work in drought prevention. Wuhan said (Mar. 15) that no rain had fallen during the spring on Hainan Island, and that offices had been set up at all levels to expedite irrigation construction and the making of dams, with 100 miles already dug to benefit 1,300 mou of land. However, there was a need for the "elimination of the peasants' complacency and reliance on fate." Chungking stated (Mar. 13) that cadres in Szechwan had been "warned to overcome their complacency and take positive steps to implement the program of drought prevention." Peking announced in numeral code (Mar. 15) that 11 millimeters of rain fell in western Szechwan Mar. 11-12, the "first good rain in 4 months."

Spring Farming Program. Radio attention to getting spring farming under way, and to the production goals for 1952, was stepped up considerably. Peking in numeral code (Mar. 10) announced the 1952 higher production plan of the Central Ministry of Agriculture, which stressed the increase in unit-area production, and use of the challenge and emulation campaign. Only high-yielding units can send out challenges. These challenges are to be accepted by units, such as villages or cooperatives, when the cadres directing the work in the unit can issue individual challenges or goals to individual farmers. Peking announced (Mar. 13) over the home service system that the North China Administrative Council had called for an emulation production campaign "greater in scope" than that of 1951.

Shanghai announced (Mar. 11) that for northern Kiangsu the 1952 goal was 1.68 million catties of foodstuffs, and to reach this goal there must be a mobilization of 10,000 mutual-aid teams and 1,000 production villages, or cooperative ventures. The goal for each mutual-aid unit was set at a unit-area increase of 15 percent over 1951, and for each production village at 30 percent over 1951. All local governments were called upon to carry out the program. Wuhsi asserted (Mar. 13) that farmers in Yunshu Hsien, Changchou, would increase their wheat production per mou "in spite of the heavy rains and insect plagues." Sian declared (Mar. 14) that in Minchin, Changyeh, and Minlo Hsien, Kansu, farmers had mapped out their spring farm programs, had organized mutual aid teams, would increase their farming area, and would increase their livestock by 10 percent, in addition to carrying out a major afforestation program.

Tainan announced that the Provincial Government had ordered all cadres engaged in the anticorruption drive "to immediately change from that drive to the farm production drive." Yangchow stated (Mar. 16) that the Nantong Party Committee had instructed cadres to "take up the production drive immediately, and suspend the anticorruption, anticorruption drive until later." Wuhsai reported (Mar. 10) that the local Party Committee had ordered cadres to "temporarily cease work" on the anticorruption drive in order to give "full attention to the spring farm production drive." Wuhsai added (Mar. 16) that in southern Kiangsu the anticorruption campaign had been "temporarily suspended in order to carry out the pressing task of spring cultivation."

Reports of organization of mutual-aid teams were monitored from Shanghai (Mar. 14); Hangchow (Mar. 13); Yangchow (Mar. 14, 15 and 16), reporting 189 teams already at work in nine chu of Haimen Hsien, Kiangsu, Kienyang (Mar. 14), which claimed 33 teams in Nanfeng Hsien, Kiangsi; Sian (Mar. 14), which said mutual-aid teams were busy with spring plowing in "Shanghai and Ningxia Provinces; and Wuhan (Mar. 13), claiming that cadres in Pinglo Hsien, Kwangsi, had organized mutual-aid teams of peasants who had brought out goods hidden for landlords to use in spring farming.

Claims that spring farming had started, or reports of loans made for fertilizer, were monitored from Mukden (Mar. 12-13), quoting a Northeast Government directive calling for elimination of the aphid by Apr. 30; Peking (Mar. 15-16); Shanghai (Mar. 12-14), saying the East China Cooperatives Office had placed supplying farmers with fertilizer as its first responsibility, and that in Fukien 65 billion yuan had been lent to mutual-aid units; Hangchow (Mar. 16); Foochow (Mar. 12); Yangchow (Mar. 14), Wuhsai (Mar. 11-12); and Chungking (Mar. 12-12), which called upon farmers to take steps to eliminate insects.

Hangchow reported (Mar. 14) that rural cadres in Ianchi, Yuchien, and Linai Hsien, Chekiang, had been urged at meetings to "correct their rightist thinking and intensify their efforts to complete the drought prevention and irrigation programs at once." In connection with floods in the Wukang area, Chekiang, Hangchow said (Mar. 16) that chu, hsiang, and village cadres had been ordered to "correct the peasants' attitude of leaving their fate to heaven, and to lead the peasants in draining water from their fields." Yangchow reported (Mar. 11) that Chu Pao-seng, leader of a farmers association in Tungnan Hsien, Yencheng, Kiangsu, was charged with laxity at a meeting, "confessed his errors," and promised to hurry up the program of organizing mutual-aid teams and starting spring farming. Foochow quoted (Mar. 12) from an article in the FUKIEN JIH PAO which supported the spring farming program, and "strongly attacked the complacency of many rural cadres."

Wuhan reported (Mar. 14) that the Honan Youth Corps had issued a directive calling upon cadres to support the spring farm program, "overcome their complacency, and organize the broad masses of youth for the struggle." Taiyuan (Mar. 12) quoted the SHANSEI JIH PAO as saying rural cadres in the Northwest were "hindering the spring farm production program," and calling upon them to "correct their errors in thinking."

Sian reported (Mar. 11) that with completion of the Lowei Dam in 1950, an area of about 70,000 mou had been placed under irrigation. However, "due to the corruption of the building contractors," the dam had started leaking and had caused flash floods. Peking reported in numeral code (Mar. 11) that at the Sinkiang agricultural production conference there was severe criticism of the "conservative minds of certain cadres" who insisted that unit-area yields in the border areas could not reach those of the interior. On the contrary, it was claimed that yields could be raised steadily "if the peasants of various nationalities" were properly mobilized to carry out the production drive and improve farm techniques. Uighurs in Sufu Hsien, southern Sinkiang, had learned the advanced farming techniques introduced by the People's Liberation Army, and had "recognized the superiority of collective production." However, it was admitted, "there are some localities where guidance in production and organization had been neglected," and a struggle is necessary to reach the 1952 goal of organizing 40 percent of the total labor force.

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Peking said in numeral code (Mar. 14) that the Central Ministry of Finance had issued a directive calling for immediate inspection of preferential treatment of dependents of Armymen, and an examination of their farm problems, "to make sure that no arable land of the dependents of military personnel and martyrs will be laid waste," and to stress the fact that "dependents who are physically fit should be encouraged to increase production." Peking added in the same service (Mar. 16) that the Central Ministry of Trade had issued a directive calling for an immediate inspection of sowing farming done for the families of servicemen "to insure that all such lands are properly cared for."

Industrial Production. Considerable mention of production problems in connection with the anticorruption drive was made. Peking said in numeral code (Mar. 14) that various State-operated specialty companies in Nanjing had allotted, during the drive, a definite number of personnel to handle the daily operations, "thus assuring the normal functioning of business operations." Peking reported in numeral code (Mar. 15) that Increased Production and Economy committees in Chungking and Changsha had taken over the work of disposing of confession cases of lawbreaking merchants.

Chinchow asserted (Mar. 16) that workers in the local telegraph office had "increased their operating efficiency" to promote the drive. Tsinan declared (Mar. 16) that in the Kuomin No. 7 Factory, Tsingtao, the "outstanding achievements" in the anticorruption drive were credited to its "democratic organization and high production record." Shanghai claimed (Mar. 16) that workers in State-operated factories in Shanghai had completed their monthly norms ahead of schedule and reduced the accident rate "because of their heightened political consciousness gained from experience in the drive." Under the slogan "Hunt all tigers and carry out production," 15 factories had completed their production target for February.

Hangchow declared (Mar. 15) that the Chekiang Salt Bureau had "greatly improved its tax collections and productive activities" since the start of the drive, and had issued a directive to workers to "organize and stop smuggling." Hangchow admitted (Mar. 16) that 100 textile mill operators had "suspended production, withheld wages, and tricked workers" during the drive. The Hangchow Bureau of Commerce and Industry and the Salt Bureau called a meeting Mar. 15 "to oppose suspension of textile production," and to request that steps be taken "to order all textile factories to resume production." One factory, the Tsongfeng Cloth Co., was said to have admitted its errors and "guaranteed to resume production by Mar. 18." Yangchow said (Mar. 12) that the northern Kiangsu branch of the China Native Products Co. had "allocated a certain number of cadres to attend to the normal operations of the business," which at present included the buying of furs, bristles, fats, sausage, and casings.

Wuhan reported (Mar. 12) that during the drive in Hubei Province "in many cases huge sums of State capital tied up in dead stock had been uncovered." Wuhan added (Mar. 13) that workers in the Wuhan Construction Bureau "promoted the drive" by "intensifying their work in repairing roads and wharves." Wuhan stated (Mar. 16) that in the course of the drive the Wuhan Federation of labor had "reorganized store clerks and employees," and "uplifted their production enthusiasm." Sian asserted (Mar. 15) that while promoting the anticorruption drive State enterprises in the Northwest were "also promoting regular business operations by allocating cadres to carry on trade and distribution of needed supplies," including flour, coal, and cotton. Workers in the Northwest Farm Implement Factory had launched a production drive. "While catching tigers the workers will continue to produce needed implements at a record pace."

Chungking claimed (Mar. 12) that in the Southwest branch of the China Food Company its quota had been maintained through "making early provision for the promotion of active elements and the retention of corrupt elements who have confessed and have reformed." Kunming declared (Mar. 11) that trading companies in Kunming had pushed their regular operations through "uncorrupted cadres," and that in the future "all organizations will allot part of the time of tiger-hunting teams to normal business operations." In the People's Bank cadres had been transferred from the anticorruption drive to "give full attention to normal trade needs." Production did not suffer in the Kunming Electrical Supply Company because of the policy of promoting senior workers to succeed foremen who gave their attention to the drive. Kunming asserted (Mar. 13) that in the Kunming branch of the China Cotton, Yarn, and Cloth Co. the anticorruption drive was promoted by "intensification of the efficiency of its normal business operations," and added that new orders for processing had been placed, and the "sales offices have resumed normal operations."

There also were numerous claims in radio broadcasts that the anticorruption drive had actually increased production, or would do so. Peking asserted in numeral code (Mar. 15) that in the Hsinhu Steel Works, Shanghai, increased efficiency in casting wheels had been obtained "by eliminating grafters." Tainan claimed (Mar. 12) that the Tainan branch of the China Oil and Fats Company had achieved new production records "as a result of the tiger hunt." Workers in the Tainan Railway Administration had "increased production to promote" the drive, and had held a meeting "to expose corrupt elements and make plans for increased production." Wuhsi stated (Mar. 11) that workers in the Chibsiyen Railway Shops had "fulfilled production norms to promote the anticaste, anticorruption, antibureaucracy drive."

Wuhan said (Mar. 12) that the Chichi Water and Power Company had increased production to promote the drive. Canton declared (Mar. 10) that workers in the Kwangtung Cement Works held a symposium to "map plans for increasing production to promote the drive." Chungking asserted that workers in the No. 615 Yarn Mill overfulfilled their quota to promote the drive. Kunming said (Mar. 11) that the Kunming Electrical Supply Factory had increased production to support the anticorruption drive.

Mukden reported (Mar. 14) that the Northeast China office of the Bureau of Communications called a meeting of transport and industrial organizations to "discuss measures to improve cargo movement." Tainan announced (Mar. 15) that the Finance and Economy Department of Shantung had sent 19 cadres to make an inspection of the operations of cooperatives, trading companies, tax offices, and "the progress of the anticorruption drive and the spring farm program" in the province. Peking reported in numeral code (Mar. 10) that in Honan Province the cooperatives and trading companies had collected large amounts of iron and fats, with local blacksmiths and oil-extracting workers manufacturing fertilizers and 3.56 million units of farm tools, through "local purchase of raw materials, local processing, and local consumption." In Tahan Village, Chu 4, Hanchang Hsien, one-third of the villagers obtained fertilizer from the cooperatives. Peking claimed in numeral code (Mar. 13) that the Mukden Chemical Works had increased its efficiency in making cylinder oil by 60 percent, and reduced the cost 20 percent, through the use of residual wax, a byproduct formerly used only in making lighting fluid.

Peking reported in numeral code (Mar. 12) that the Government Administration Council of the Central Government had adopted new regulations concerning the control of local government organs that had been engaged in productive enterprises. The new resolution admitted the valuable contribution of these small productive operations in village and hsiang during revolutionary days, when small areas often were isolated for long periods of time, but declared that now the "diffusion and aimlessness" of the scattered enterprises had militated against the planning of a National economy, while "the influence of capitalist thought" in these small enterprises had led to "serious corruption and waste." Therefore steps had been taken to strengthen the control and management of these enterprises, with the exception of farms and gardens operated by Army units for their own use; enterprises managed by relief organizations, and enterprises operated by recognized cooperatives. Under the new set-up the smallest unit would be the hsien, with the hsien government or a special committee taking over all chu, hsiang, or village enterprises. Some enterprises would be organized on a level higher than the hsien -- special district, province, and large administrative district.

WAR PROBLEMS

Sabotage by Contractors. Tainan announced (Mar. 12) that Chang Fu-ting, cadre in the Tsingtao People's Radio Station, had been arrested for taking 83 million yuan illegally and causing a loss to the Government of 293 millions through fraud in fulfilling radio contracts for the Chinese Volunteers. Hofei reported (Mar. 16) that Chou Hua-chuan, Wuhu merchant, had been arrested for cheating the Government out of 200 million yuan on Army contracts for shoes, uniforms, cloth, and other supplies. Wuhsi stated (Mar. 10) that Yu Kao-fu, Yinhhsien confectioner, had been charged with cheating on contracts for 40 tan of mooncakes for wounded veterans. Wuhsi added (Mar. 16) that Chai Yung-sen, owner of the Chengwai Fragrators, was "reluctant to confess completely" to evasion of 50 million yuan in taxes, illegal dissemination of 100 million yuan in capital funds, bribery of cadres, embezzlement of Government property, and the manufacture and sale of false drugs to "secretly injure the Chinese Volunteers and the people."

Wuhan announced (Mar. 10) that members of the Youth Corps held a rally Mar. 9 in the People's Palace of Culture, Chu 2, Wuhan, to hear accusations by 10,000 of the Chinese Volunteers against Li Wen-chuan, who defrauded the Government on cotton processing contracts for the Volunteers. Wuhan added (Mar. 14) that students of Wuhan University demanded the removal and arrest of Chen Hai-chiu, head of the university's chemistry department, for conniving with merchant Li Wen-chuan to defraud the Government on Army contracts. Canton reported (Mar. 10) that officers of the People's Liberation Army in Canton had charged local rice, flour, and biscuit factories with making unhealthful food products and defrauding the Government on Army supply contracts. Canton said (Mar. 13) that workers in Canton rice processing plants had accused their employers of defrauding the Government on contracts to process rice for the Army during the Hainan campaign.

Chungking announced (Mar. 10) that businessmen in Chungking had been charged with serious cases of fraud in supplying Army units that fought in Tibet. Pao Chi-hung sold one million catties of hardtack, all of which rotted; Chang Wei-hsien sold adulterated flour; Yang Tzu-ching sold soy sauce which made the soldiers sick; Yang Chu-peog sold 30 million yuan worth of sheepskin for 190 million yuan; and the leather trade in Chungking used horsehide and rotten leather to make shoes, which rapidly disintegrated. Peking reported in numeral code (Mar. 15) that "heinous offenders among merchants" had been apprehended in Chengtu and Yenan, and would be legally punished for injuring the People's Liberation Army that marched into Tibet. Wang Lai-shen and Kang Chi-hung of the Hsin Chung Farm Produce Company, Chengtu, substituted improperly cooked bean powder for rice powder and smeared putrified meat with salt for the soldiers. Tiao Che-yu of the Hsin Hsi-yuan and I-chu tea factories, Yenan, added water to tea to increase its weight, and substituted used tea, flavorless stalks, and unprocessed tea up to 50 percent of his orders. Tea was absolutely necessary in the digestion of the staple food of the area, so "deceitful merchants seriously injured the health of the fighters by supplying tea of such bad quality." Other Southwest contractors supplying tent-support rods for the Army used decayed wood, so that at an altitude of 5,300 meters above sea level, all the rods broke.

Bacteriological Warfare Propaganda. Peking in numeral code (Mar. 14) made new and detailed charges of bacteriological warfare by American planes, saying that 12 planes on Mar. 6 dropped "large quantities of flies, mosquitoes, fleas, spiders, beetles, lizards, small mosquitoes, lice, ants, earthworms, and small black insects" over Antung, Kuiliensheng, Fengcheng, Shuifeng, Tatumkhon, and Changtienkhon. On Mar. 7 one plane spread mosquitoes, flies, fleas, butterflies, and other insects, which were discovered in Chiao, Taipingchow, Chuangho, Kuantien, Chinchow, Mukden, and Sinmintun. On Mar. 8 spiders, centipedes, locusts, toads and bees dropped from American planes were discovered in Mukden, Tunghua, Linchiang, Fusung, Chiao, Sinpin, Fengcheng, Antung, and Pushun. Peking added in numeral code (Mar. 16) that the Peking PEOPLE'S DAILY had carried photos of the "germ-laden bomb shells." The Peking home service declared (Mar. 14) that the temporary lull on the Korean battlefield "does not indicate that the American aggressors have abandoned their military venture."

Peking said in numeral code (Mar. 14) that a delegation of 70 persons, headed by Li Te-chuan, would be sent by the Central People's Government to make a thorough investigation of the bacteriological warfare methods in Korea and North China. All 70 names of delegates were listed. At the Government Administration Council session in Peking, Health Vice Minister Ho Cheng made a report on "the spread of contagious disease germs." The home service announced (Mar. 16) that the delegation had been given a warm send-off upon its departure from Peking, and that the "broad masses" of North China were protesting at the American crime. By the time the "fact-finding mission" had arrived in Mukden reports were received of protests by various circles in Tsinghai and Ningxia Provinces.

Other broadcasts of protests by various groups and organizations, or even by the "broad masses," emanated from Shanghai (Mar. 14); Mukden (Mar. 14), where 160,000 persons held a demonstration to protest, and the TUNGPEI JIH PAO carried numerous protest letters from "farmers, soldiers, students, workers and women"; Tainan (Mar. 12), where farmers had resolved to "increase production to support the Volunteers" as a protest; Dairen (Mar. 14), where workers in the No. 18 Machine Shop had "launched a production drive" in protest; Canton (Mar. 15); Chungking (Mar. 10-12); and Kunming (Mar. 15).

Fight Against Epidemic. Peking announced in numeral code (Mar. 14) that medical and health workers throughout the Nation had responded to the appeal for workers at the Korean front to fight bacteriological warfare. At one Mukden university 1,000 teachers and students wanted to go; at another school 95 percent of the teachers and students signed a pledge in one day; doctors in all private hospitals in Mukden organized; and Dr. Liang Yun-kang, Shan Shan Hospital, Hoping Chu, Mukden, mobilized 130 workers. On Mar. 9 the preparatory committee of the Shanghai branch, Special Committee for Defense Against Bacteriological Warfare of the National Medical Association, met and decided to mobilize personnel in Shanghai. Medical students and professors at each university in Shanghai volunteered, and a medical operations volunteer team left Shanghai for the front Mar. 10. The movement met with an enthusiastic response in Hefei and Wuhu, and at Wuhai a Central and South China branch of the committee was set up. Medical and health workers in Wuhai "unanimously enrolled one after another to join the epidemic-prevention team to work in Northeast China and Korea." Teams organized in Changsha and Canton were awaiting orders, while in Sian a branch committee had been set up and an inspection team organized.

Mukden announced (Mar. 14) that the Northeast People's Government had issued a directive to all local governments to launch an antiplague campaign, called upon all medical units to have on hand an ample supply of antiplague serum, and ordered manufacturers to step up the production of serum. Mukden stated (Mar. 15) that under the leadership of model workers Chang Wan-shou and Liu Tzu-min, workers in the No. 2 Northeast Rubber Factory had organized antiplague committees "to combat bacteriological warfare in the various shops and among the dependents of the workers." Peking in numeral code (Mar. 15) quoted reports from Mukden as saying medical workers there were joining groups for duty at the Korean front.

Dairen announced (Mar. 14) that medical workers in the Dairen-Port Arthur area had organized plague-prevention teams "to combat American bacteriological warfare in Korea." Bathhouse and hotel operators had called an emergency meeting to take measures for plague prevention, with all operators instructed to follow the directions of the Plague-Prevention Committee. Dairen said (Mar. 13) that the Luta branch of the Northeast Medical Workers Association, and the Luta Plague-Prevention Committee, had called a meeting of 1,000 medical workers to support "the spring farm production program by carrying out plague-prevention work, and preparing themselves for the struggle against U.S. bacteriological warfare." Tsinan announced (Mar. 15) that an Anti-Bacteriological Warfare and Plague-Prevention Committee had been organized in Tsingtao.

Shanghai reported (Mar. 10) that the 10th Medical Corps, under Huang Ling-hsien, and the 11th Medical Corps, under Tseng Wei-lu, left Shanghai Mar. 9 "to fight bacteriological warfare in Korea." The 4th Medical Corps, under Nieh Chuan-hsien, which had just returned to Shanghai, had members who "offered to return to Korea to continue the fight against bacteriological warfare." Shanghai said (Mar. 15) that peasants in Shangchien Hsiang, Fengcheng Hsien, Anhwei, had issued a statement calling upon all peasants in northern Anhwei to join the fight against bacteriological warfare. Shanghai stated (Mar. 16) that the 4th, 5th, 6th and 7th Battalions of medical and operative workers had returned from Korea, denounced germ warfare, and some suggested that they should return to the front. Hangchow announced (Mar. 13) that medical workers there had organized a committee to fight bacteriological warfare.

Yangchow reported (Mar. 15) that students of Yangchow High School held a rally which was broadcast over the local radio, and called upon peasants to organize for the fight against bacteriological warfare. Wuhai asserted (Mar. 10) that 350 students in the Kiangsu College of Medicine, Chengchiang, had "demanded that they be permitted to fight bacteriological warfare in Korea." Nanchang reported (Mar. 13) that medical workers in the city held a meeting and organized a Kiangsi Committee for Defense Against Bacteriological Warfare.

Peking declared (Mar. 16) in numeral code that "various governmental organizations, associations, schools, factories, rural districts, and religious organizations have unanimously denounced the American aggressors and demanded that strict sanctions be applied on the bacteriological warfare criminals."

LAND REFORM

Wuhan announced (Mar. 10) that the Hunan Government had sent cadres to Changsha, Iyang, and Changte Hsien to check on land reform and the reinspection program. Wuhan added (Mar. 13) that in Kwangsi

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Province, Lan Wen-hsing had been commended by the provincial government for his work in fighting landlords. Nanchang stated (Mar. 11) that farmers in Ningbo Hsien, Kiangsi, had organized landlord-hunting teams, and had captured 30 refugee landlords. In the 11th and 13th Hsiang of Loping Hsien mass meetings of farmers "greatly increased their political consciousness," with the result that they turned in all their weapons. Kunming claimed (Mar. 11) that peasants in Wushi Hsien, Yuchi Hsien, Yunnan, had been "very successful" in driving out local despots and landlords.

Wuhan reported (Mar. 11) that the Party Committee in Chinghsien, Hupeh, issued a directive "correcting errors on the part of land reform cadres of Chu 7, Chingling Hsien, in the distribution of the fruits of land reform." The directive "charged the cadres with corruption, lack of democracy, and incompetence." Wuhan added (Mar. 13) that in Huangkang Hsien, Chenliu Hsien, Hooan, farmers "wanted much of the fruits of the land through corruption," so a distribution committee had been set up to "divide the fruits and advise the farmers in use of the funds." The Loyang Party Committee ordered land reform reinspection cadres "to correct their errors in thinking," and to "overcome their complacency." Many cadres had not even spoken to the peasants, and "missed some of the rich landlord properties" by not winning the confidence of the peasants. Wuhan said (Mar. 14) that the Loyang cadres had been called together to organize a reinspection program and accused of "obstructing the program" by their "rightist thoughts and undemocratic attitude." "In some areas poor farmers were found unliberated and landlords still in control."

Nanchang stated (Mar. 10) that peasants in Kutien Hsien, Loping Hsien, Kiangsi, "had greatly increased their political consciousness" after land reform reinspection, had seen through the tricks of the landlords and were sticking together. Landlords had stirred up dissension, especially over water rights and the distribution of confiscated goods. In Kankang Hsien, Nanfeng Hsien, peasants were alerted to tricks of the landlords when Yang Kuang-chiu set fire to the house which had been taken from him Feb. 28, and tried on Feb. 28 to set fire to the warehouse where confiscated goods was stored. Nanchang declared (Mar. 14) that women had taken an active part in land reform in Anfu Hsien, Kiangsi. Landlord Hsieh Hsien-chu was accused by his wife, Wang Yu-lai, of hiding a gold ring; another woman accused him of hiding a radio. Out of 12 persons who accused landlord Yang Kuan-chi, eight were women. Nanchang added (Mar. 16) that peasants in Tiehshen Chu, Shangpao Hsien, Kiangsi, had confiscated 7 1/2 catties of gold, 800 silver dollars, and 6,000 catties of grain from landlords. By frightening the families of Yang Chiu-han and Yang Chiu-hsi, they were able to uncover the 3 ounces of gold, 50 silver dollars, and 232 catties of grain hidden by them.

Kunming announced (Mar. 12) that the Party Committee in Luliang Hsien, Yunnan, had given cadres 30 days to complete the land reform program. The program got off to a good start, but "bogged down because of the laxity of the cadres, so that 23 hsiang never were taken care of." Kunming said (Mar. 15) that in Chuchi Hsien, Yunnan, the land reform cadres were making good progress "after taking a reindoctrination course and organizing the peasants."

Shanghai announced (Mar. 16) that the Shantung People's Government had organized a large-scale collective farm of 600,000 mou, embracing Liching, Kuangjiao, and Wuti Hsien. This year 20,000 mou will be cultivated, with an expected yield of 20 million catties of rice.

MISCELLANEOUS

Counterrevolutionaries. Wuhan asserted (Mar. 12) that the drive against local despots and bandits in the Wuhan area had been successful, with organizations of farmers and workers now controlling the region. Nanchang reported (Mar. 10) that Ku Yeh-fu, despot in Hsinping Hsien, Hsinchien Hsien, Kiangsi, fled to Changto, where his son lived, but on Jan. 1 the son arrested his father and brought him back. "His spirit is to be commended." Lo Ting-hsiu, farmer of Tanan Hsien, Hsingkuo Hsien, Kiangsi, was executed for making false charges against a widow named Tien and then murdering her to get her property. Nanchang stated (Mar. 12) that 4,000 farmers attended a public trial in Tyang Hsien, Kiangsi, of Chang Yuen-seng, Wang Chung-ho, Liu Chin-chang, and four other landlords and counterrevolutionaries. Nanchang added (Mar. 13) that Chang Hsiu-chuan of Shantao Hsien, Hsiushui Hsien, Kiangsi, was executed on the spot, "among cheers" following a public trial attended by 1,500.

National Minorities. Wuhan reported (Mar. 14) that a delegation of 106 persons representing eight nationalities from Sikang, Kweichow and Szechwan, led by Chen Wen-ming, was welcomed by a tour of the city and sent on to Peking. Sian announced (Mar. 11) that Tibetan and other ranking officials of the Governments of the Northwest, Kansu, Shensi, Tsinghai, and Sinkiang, attended ceremonies in Lanchow for the dedication of a lama temple. Chungking said (Mar. 12) that Government officials and 80 Chinese, foreign, and minority group merchants attended the ceremonial opening of the Lhasa branch of the People's Bank of China. Kunming announced (Mar. 16) that 1,000 persons were present Mar. 15 at the graduation exercises of the Yunnan College of Nationalities.

Women's Rights. Kunming reported (Mar. 15) that the People's Court in Yuchi Hsien, Yunnan, celebrated International Women's Day with a trial of Liu Yung-chi, Chang Chin, Li Kuang-lin, and eight others charged with mistreating women and children. Nanchang announced (Mar. 12) that Lu Chen-chen, mili-taire of Hsingkuo Hsien, Kiangsi, had been sentenced to 5 years in prison for forcing Liu Lo-ying to marry his brother, and causing her fiance to commit suicide.

Newspaper Reading. Peking declared in numeral code (Mar. 16) that circulation of newspapers had been reduced in some localities, and added: "This neglect of newspapers and current affairs by some people is an expression of political paralysis. We should not, because of the stressing of economy, refrain from reading newspapers. Immediate rectification should be carried out in those localities where such a phenomenon has been discovered."

Pneumonia Epidemic. Nanchang announced (Mar. 10) that 98 medical cadres had been sent to the Yuanchow Special District, Kiangsi, where in 40 hsiang, 830 cases of pneumonia had been reported with 300 deaths.